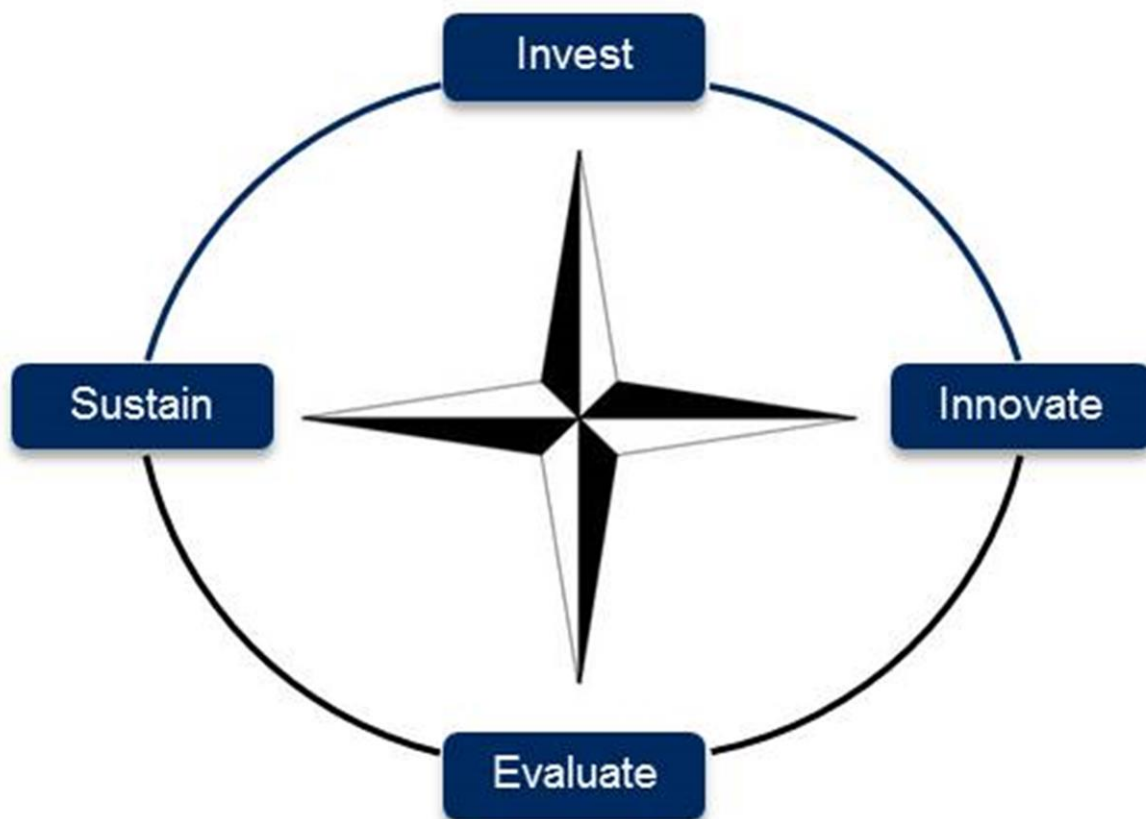


COMMONWEALTH OF MASSACHUSETTS HEALTH POLICY COMMISSION

COMMUNITY HOSPITAL ACCELERATION, REVITALIZATION, & TRANSFORMATION INVESTMENTS

*CHARTING A COURSE FOR THE RIGHT CARE AT
THE RIGHT TIME IN THE RIGHT PLACE*



Funding Opportunity: CHART Phase 1: *Foundational Activities to Prime System Transformation*

Funding Opportunity Number: HPC-CHART-001

Authority: Issued Pursuant to M.G.L. c. 29, §2GGGG and 958 CMR 5.00

Issue Date: October 23, 2013



OVERVIEW INFORMATION

Issuing Agency: Massachusetts Health Policy Commission

Funding Opportunity Title: Community Hospital Acceleration, Revitalization, and Transformation Investment Program - Phase 1 Investment: *Foundational Activities to Prime System Transformation*

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KEY DATES

Date of Issue: October 23, 2013

Eligible Applicants Information Sessions: November 2013

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Anticipated Awardee Announcements: January 8, 2014

Anticipated Contract Execution: By February 1, 2014

Anticipated Period of Performance Pathway A and Pathway B: February 1 to July 31, 2014

Anticipated Period of Performance Pathway C: February 1 to May 31, 2014

Table of Contents

Section I: Funding Opportunity Description.....	3
A. Background	3
B. Authority	4
C. Purpose	4
D. Phase 1 Program Description	5
E. Applicant Assistance	9
Section II: Definitions.....	10
Section III: Award Information	12
A. Total Funding Available, Award Amount, and Total Number of Awards.....	12
B. Anticipated Award Date, Funding Disbursement, and Period of Operations	13
C. Termination or Amendment of Awards	13
D. Anticipated Engagement of the HPC	13
Section IV: Eligibility Information.....	13
A. Eligibility Threshold Criteria	13
B. Phase 1 Qualified Acute Hospitals (Eligible Entities)	14
Section V: Response Requirements	15
A. General Submission Instructions.....	15
B. Operational Response Instructions.....	17
C. Financial Response Instructions.....	18
D. Metric Selection and Reporting Requirements	19
E. Mandatory Forms and Certifications.....	19
Section VI: Application Review, Selection, and Award Process.....	20
A. General Provisions	20
B. Contact of Eligible Entities with Health Policy Commission	21
C. Information Sessions and Questions	21
D. Review and Selection Process.....	22
E. Criteria for Selection.....	23
Section VII: Timeline	25
Section VIII: Additional Terms and Details	25
A. Responsibilities of Qualified Acute Hospitals	25
B. General Requirements	25
C. Key Contract Provisions.....	27

Section I: Funding Opportunity Description

A. Background

The Health Policy Commission (HPC) was established in 2012 through the Commonwealth's landmark health care cost containment law, [Chapter 224](#): "An Act Improving the Quality of Health Care and Reducing Costs through Increased Transparency, Efficiency and Innovation." The HPC is an independent state agency responsible for reducing overall cost growth, improving access to high quality, accountable care and reforming the way health care is delivered and paid for in Massachusetts.

The Governor, Attorney General and State Auditor have appointed an [11-member Governing Board](#) of Commissioners composed of public and private sector leaders with diverse areas of expertise to govern the HPC. The HPC's Executive Director and Staff are responsible for the day-to-day operations of the agency.

The HPC is charged with facilitating lower costs and better, more efficient and innovative care, by: 1) monitoring health care cost growth in the Commonwealth and drivers therein, 2) evaluating the impacts of substantial changes to the Massachusetts health care market on cost, quality, market function, and access, 3) evaluating and fostering model payment system reforms, 4) engaging in patient protection activities, and 5) driving care delivery reforms through key investment programs and the development of voluntary model certification programs for patient centered medical homes and accountable care organizations.

The HPC's Community Hospital Acceleration, Revitalization, and Transformation (CHART) Investment Program is intended to further the Commonwealth's goals of improving the health of its residents, improving access and quality of care, including patient experience, and reducing health care cost growth. CHART seeks to improve community hospital care in the Commonwealth through a competitive grant process that provides incentives and structure necessary to foster system transformation.

In order to promote alignment across other state and federal programs, all CHART expenditures must support the state's efforts to meet the health care cost growth benchmark established in [M.G.L. c. 6D, § 9](#), and must be consistent with any activities funded by the e-Health Institute, the Healthcare Payment Reform Fund, and other delivery system transformation initiative funds authorized by the Commonwealth or federal government.

All requests should further support one or more of the following CHART Investment Program goals as described in 958 CMR 5.03:

- 1) To improve and enhance the ability of community hospitals to serve populations effectively, including but not limited to enhancing care coordination, advancing integration of behavioral and physical health services, promoting evidence-based care practices and efficient care delivery, and providing culturally and linguistically appropriate services.
- 2) To advance the adoption of health information technology, including interoperable electronic health records systems and clinical support tools.
- 3) To accelerate the ability to electronically exchange information with other providers to ensure continuity of care and enhanced coordination across the continuum of providers and organizations in the community served by the Applicant.

- 4) To support infrastructure investments necessary for the transition to alternative payment methodologies, including investments in data analysis functions and performance management programs, systems to promote provider price transparency, tools necessary to aggregate and analyze clinical data on a population level to facilitate appropriate and implementation of evidence-based interventions and care management practices, especially for vulnerable populations and those with complex health care needs.
- 5) To aid in the development of care practices and other operational standards necessary for certification as an accountable care organization or patient centered medical home under M.G.L. c. 6D §14 and 15.
- 6) To improve the affordability and quality of care, including but not limited to increasing access to behavioral health services, and coordination between hospitals and community-based providers and organizations.
- 7) To plan or develop Investment proposals supporting one or more of these goals.

B. Authority

[Section 2GGGG of Chapter 29](#) of the Massachusetts General Laws authorizes the HPC to administer the Distressed Hospital Trust Fund (Trust Fund). Pursuant to its regulation, [958 CMR 5.00](#), the HPC developed the CHART Investment Program to carry out the mandate of the Trust Fund in support of certain community hospitals in the Commonwealth of Massachusetts.

C. Purpose

The HPC is issuing this Request for Proposals (RFP) to solicit responses from certain eligible community hospitals for CHART Investments. Appreciating that community hospitals are diverse in size, geographic location, population need, financial health, affiliation with systems, and previous experience with investment funds, and accordingly have varied resource needs, the HPC has established a phased approach to investments. CHART's first phase, presented in this RFP, is intended to provide initial support for short term, high-need expenditures in eligible community hospitals. Through these projects, the HPC will assess and support capability and capacity of participating institutions, develop engagement and foster learning among CHART hospitals, and build a foundation for system transformation.

In Phase 1, successful Applicants will demonstrate one or more of the following:

- *Pathway A:* That they can implement a pilot model that demonstrates progress towards achieving improvement in quality of care and/or reducing cost within six months, *or*
- *Pathway B:* That they have identified and seek to build capability or capacity needs that align with the goals of the Triple Aim (better health, better health care, and lower costs) that can be met within six months, *or*
- *Pathway C:* That they seek to engage in meaningful operational and business planning activities that will yield a strategic vision towards system transformation.

The HPC is making at total of \$10 million available for activities in this RFP, out of the \$119.08 million in funding available through the CHART Investment Program over the next four years. For information about eligible community hospitals, see **Section IV.B** and additional objectives and restrictions within each project category under **Section I.D**.

D. Phase 1 Program Description

The Health Policy Commission has defined four necessary factors of change to achieve system transformation: 1) executive commitment to change, 2) meaningful infrastructure investment, 3) innovative approaches to care delivery, and 4) developing and implementing a model for sustainability. With an early focus on the first two factors, the HPC seeks to use Phase 1 of the CHART Investment Program to fund short-term, high-need *Foundational Activities to Prime System Transformation*. Within Phase 1, the HPC anticipates modest investments for a significant number of the Qualified Acute Hospitals, with up to \$500,000 per Awardee. Participation in Phase 1 is not required for receipt of funds in future CHART funding opportunities, and receipt of Phase 1 funding is not a guarantee of any future awards. The HPC anticipates, however, that some foundational investments will be necessary for success in later system transformation activities and all Qualified Acute Hospitals are encouraged to apply.

The HPC anticipates releasing a Phase 2 RFP in Spring 2014, providing for more substantial investment for *Driving System Transformation*. This phased approach allows for ongoing development of a rigorous, evidence-driven investment strategy for future rounds of funding. These Phase 2 Investments awarded through a competitive application process will likely be multi-year opportunities for system-wide or service line-specific transformation in Commission-identified areas of focus. Phase 2 may also include testing innovative models of system transformation, with multiple funding models tailored to a variety of institutional needs and settings. The HPC is actively deliberating priorities for and approaches to Phase 2 investments through engagement with Qualified Acute Hospitals during Phase 1 as well as through a robust public process – any updates to the HPC’s development of the Phase 2 framework will be posted on its website, <http://www.mass.gov/hpc/chart>.

As outlined below, for any Pathway for which the Applicant wishes to obtain CHART Investment support, there must be identified, specific projects. An Application may be favorably viewed if it demonstrates an institutional commitment to change that is aligned with the goals of this initiative. Qualified Acute Hospitals may identify partnering organizations (including, e.g., community-based health care providers, behavioral health providers, post-acute care providers) to receive funds through CHART Phase 1 Investments as a subcontractor of an Awardee. Any proposed subcontracts included in an application must demonstrate specific and tangible benefit to the Applicant and the population served by such Awardees, and are subject to review and approval by the HPC.

1) Pathway Descriptions

Project activities that may be funded within Phase 1 are described in three pathways:

Pathway A – Rapid-Cycle Pilots in Priority Areas

Pathway B – Capability and Capacity Development

Pathway C – Planning

The HPC anticipates that funds will be awarded to a number of Qualified Acute Hospitals for projects in Pathways A, B and C. As specified in **Section V.B**, a Qualified Acute Hospital may apply for a total award of up to \$500,000 to fund one or more Pathway related projects or activities, provided

however that each application may include only one Pathway A project. Of the total award, funds **must** be allocated for the cost of completion of a staff culture survey (**Section I.D.2.b**) designated by the HPC. No more than \$100,000 of the total potential award per hospital may be expended on Pathway C projects (planning activities) excluding the cost of a staff culture survey. An Applicant should submit one proposal, which has a single central overarching goal, and then identify projects or activities tied to one or more Pathways which contribute to the achievement of that goal.

Pathway A: Rapid-Cycle Pilots in Priority Areas (6 months)

The goal of Pathway A is to fund small, rapid-cycle tests of change to evaluate the potential impact of certain evidence-based models in the community hospital setting as proposed by Applicants, as well as to assess the capacity of institutions to implement innovative delivery models. Engaging in rapid tests of change will both challenge an Awardee's capacity, leading to meaningful learning about that organization's capacity for transformation, as well as yield meaningful results about certain models that may be relevant to future implementation activities. Utilizing change management tools, including the Plan-Do-Study-Act (PDSA) framework for documenting a test of change, Applicants to Pathway A will propose to plan, implement, and evaluate the impacts of a rapid-cycle improvement in a given clinical domain or area of operational focus. The HPC expects that within the Period of Performance, an Awardee will engage in a short period of operational planning, followed by approximately 90-120 days of implementation tailored by each Applicant to the specific constraints of proposed projects. The HPC expects that Applicants will then engage in a short period of internal evaluation prior to closure of the Period of Performance.

Projects proposed under Pathway A must align with CHART Investment Program goals as established in **Section I.A.1-7**. Projects of particular interest to the HPC include those focused on Behavioral Health, Care Coordination and Care Transitions, or Service Line Efficiency. Where possible, all projects should promote multiple stakeholder collaboration (including e.g., collaboration of hospitals, physicians, and other frontline staff, or collaboration of hospitals and community-based providers, including those in post-acute settings). While these noted areas are of particular interest to the HPC, submission of Pathway A projects that meet other needs identified by Qualified Acute Hospitals are not precluded.

Pathway A projects must have clearly defined goals and objectives, and the HPC expects Applicants to report early results from evaluation metrics (see **Section V.D**) prior to submission of Phase 2 application in Spring 2014. Capability and capacity to conduct a Pathway A project must either be established by the Applicant through previous experience (as demonstrated in the proposal), or must be established through a concurrent Pathway B application that clearly demonstrates the ability to implement the project within the allowable Period of Performance.

Pathway A projects may serve as proof of concept for the Phase 2 RFP or future funding opportunities. These projects may include expansion of current initiatives, implementation of models for which an evidence-base exists in other settings, or implementation of novel programs. Applicants may propose tests of scalability for models that propose to spread proven interventions to different populations or domains of clinical care. While Applicants may pair Pathway A projects with proposed initiatives in Pathway B or Pathway C (or both), each Applicant may only apply for only one Pathway A project.

Pathway B: Capability and Capacity Development (6 months)

HPC has identified a need for investment in capability and capacity development of Qualified Acute Hospitals, including limited infrastructure, training, or personnel investment, to provide a

foundational base for future system transformation activities. Pathway B projects must align with the goals of the CHART Investment program (**Section I.A.1-7**) and may serve as the basis for Phase 2 Investments, but must also be meaningful as a stand-alone investment. Each investment must be for an identified, high-need priority of the Applicant that can be directly tied to their plan for transformation and which will be demonstrably enhanced through CHART investments.

Selection of Pathway B investments will prioritize acquisition or implementation of simple tools and approaches that improve cost growth reduction, quality improvement, patient safety, care coordination, and/or enhanced communication with key internal or external stakeholders.

Potential Pathway B projects that are of particular interest to the HPC include but are not limited to:

- a) Investment in clinical information flow between hospital and community-based providers (including, e.g., patient centered medical homes, behavioral health providers, post-acute care providers, and emergency medical services).
- b) Supporting tools and training to promote cost reduction and quality improvement (including, e.g., Lean, Six Sigma, Choosing Wisely, or implementation of Walk Rounds and Board Rounds).
- c) Implementation or enhancement of the use of clinical triggers and flags, such as integration of key clinical information into electronic health records or other digitized care management tools, as well as enhancing alerts relative to reducing patient harm/monitoring optimal care.
- d) Electronic Health Record (EHR) implementation or operational support (may be in form of consulting with professional agency equipped to implement EHR systems or to reengineer workflows to optimize EHR use). Applicants proposing similar activities must demonstrate the distinction between such projects and activities funded through the EHR Incentive Payment Programs or other similar funding opportunities.
- e) Development of capacity to implement innovative models for the reduction of emergency department utilization by high-need patients with behavioral or physical health needs. These activities may include enhancement of staff or operational capacities, or development of learning collaborative opportunities with pre-hospital and/or community-based providers and/or enhanced utilization of data for such models as hot-spotting, community paramedicine, group visits, high intensity primary care models, community health workers, etc. NOTE: Such proposals must describe efforts taken to ensure compliance with the Emergency Medical Treatment and Active Labor Act (EMTALA) and other applicable federal and state law and regulations at all times.
- f) Developing and implementing a disease management registry for patient populations representing a significant proportion of inpatient or Emergency Department care at the Qualified Acute Hospital.
- g) Resource and needs assessments for patient populations with need for behavioral health services that receive care at the Qualified Acute Hospital, as well as the development and implementation of plans to integrate physical and behavioral health care.
- h) Creation of opportunities to promote alignment of physicians and hospitals. This may include convening meetings in which physicians and hospitals coordinate to develop policies, procedures, or tools to promote enhanced alignment and high value care.
- i) Identifying and engaging with post-acute providers that provide substantial services to patients cared for by the Applicant in order to develop aligned care models, and joint efforts to improve care transition between acute and post-acute care settings, including implementation of the INTERACT tool in the post-acute setting.
- j) Developing data infrastructure and capacity to utilize data to drive internal performance improvement, (including e.g., tracking and improving key performance indicators

through the development of dashboards related to business operations and performance improvement, enhancing business intelligence, creating data-marts, or building patient- or provider-focused web interfaces).

- k) Developing expertise, capability, and capacity in preparation for Accountable Care Organization models (including, e.g., development of information management capabilities necessary for alternative payment methodologies (APMs), identification of necessary governance and operational capacities, or enhancement of other capacities relative to innovative modes of payment contracting).
- l) Developing policies and procedures around advance care planning and end-of-life care, including but not limited to implementation of the Medical Orders for Life Sustaining Treatment (MOLST) program.
- m) Developing capacity and capability for culturally appropriate language access or interpreter services, consistent with local community need.

Pathway C: Planning (4 months)

Qualified Acute Hospitals may have a need to engage in planning activities prior to initiating system transformation work. Applicants that seek to engage in Planning may request up to \$100,000, supported by a detailed budget, for strategic and operational planning. The deliverable of a Pathway C Investment would be development of a written plan documenting opportunities for improvement of business strategy and operations tied to core community hospital service lines (including, e.g., emergency services, women and children's health, general internal medicine, behavioral health, and general surgical services). Eligible Applicants who are applying for Pathway C support must demonstrate a lack of prior capacity (including, e.g., lack of financial or staff capacity) to otherwise conduct planning. The HPC may also award Planning funds to facilitate enhancement of plans underlying unsuccessful Pathway A or B applications to promote further development for future funding opportunities. Clinical leaders, operational leaders, executives, Boards of Directors, and members of Patient and Family Advisory Councils (or other community representatives) should all be engaged in the planning activities supported by a Pathway C Award.

Prior to execution of agreements with a contractor(s) to provide services with Pathway C funds, an Awardee must provide the HPC with no less than ten (10) business days to review and approve or amend the scope of work for such an arrangement.

2) Required Activities – Learning, Improvement, and Diffusion

All recipients of CHART Phase 1 funds will be required to complete a comprehensive series of improvement-focused training and collaborative activities in which executive leadership and some level of Board participation is required. Clinical leadership participation is also required, regardless of whether medical staff is employed by the Qualified Acute Hospital. Requisite activities may include completion of a comprehensive improvement capability assessment tool and a culture survey, as well as attendance at one or more of HPC-led events. Specifically, during the Phase 1 Period of Performance, all Awardees must, when required by the HPC:

- a) Complete an HPC-provided capability and capacity assessment tool (such as the *Hospital Leadership and Quality Assessment Tool* or the *World Management Survey*) with sufficient response rates as specified by the HPC.¹

¹ The HPC will provide direct funding for completion of a capability and capacity assessment tool – Applicants should not budget for completion of this tool.

- b) Complete an HPC-designated survey on patient safety or improvement culture with sufficient response rates as specified by the HPC.²
- c) Participate in an executive leadership program (e.g. attendance at an event organized by HPC and focused on achieving rapid, effective performance improvements) – participants from Awardee institutions may include a representative of the Board of Directors, Executive Officers, Clinical Leadership, and Operational Leadership as specified by the HPC.
- d) Participate in periodic activities and meetings with HPC Staff, other Awardees, or content experts to provide updates, share lessons learned, develop skills, and receive feedback.

The HPC will at its discretion engage with and support Awardees throughout the implementation of the activities described above (**Section I.D.2**). HPC engagement may seek to optimize technical assistance activities to meet the varied needs of Awardees, including needs identified through implementation of Phase 1 Awards. Engagement may include working with Awardees to translate results from organizational culture, capability, and capacity assessment tools into improvement activities.

3) Monitoring and Evaluation

The HPC will evaluate all projects in accordance with the requirements set forth in M.G.L. c. 29, § 2G and 958 CMR 5.00 et seq. In its Operational Response, each Applicant must identify quantifiable and qualitative metrics for ongoing monitoring of the impact of each proposed project on applicable elements of the Triple Aim and the CHART program goals, in addition to identifying operational metrics that allow for monitoring of the activities tied to the implementation of the Award (**Section V.B and Section V.D**). Awardees must monitor each metric approved by the HPC, and report where applicable on such measures to the HPC on a routine basis as established in the Contract. The HPC intends to evaluate each project, as applicable, its implications for CHART Phase 1, the CHART program in total, and the overall impacts of Chapter 224 investments against the Triple Aim and the CHART program goals, as well as operational performance factors such as meeting target milestones and metrics, building and/or enhancing applicable institutional infrastructure, capability, and capacity, and producing timely and accurate reports pursuant to Contract requirements.

To facilitate monitoring and evaluation activities, the HPC will work with Awardees to coordinate cross-site evaluation activities necessary to achieve the HPC's aims, provide data collection instruments necessary to collect HPC mandated metrics, develop a data system that compiles all relevant data, and provide technical assistance necessary for Awardee data collection.

4) Restrictions on Awards

Awards may be used for personnel, devices, equipment, software, analytical tools or services, or contractor support (with restrictions as specified in **Section V.C**) provided that each project component can be clearly tied to project goals, which must be aligned with the CHART Investment Program goals (**Section I.A.1-7**) and the Triple Aim. Permanent infrastructure enhancements such as capital improvements (e.g., physical alterations or renovations) are not allowable uses of CHART funding unless explicitly authorized in writing by the HPC.

² Each Awardee will be responsible for implementing a culture survey as specified by the HPC and Applicants should specify anticipated costs of implementing such a survey in their budget proposal (**Section V.C**). Awardees that have recently completed a culture assessment may be exempted from this requirement at the sole discretion of the HPC.

E. Applicant Assistance

HPC will not provide individualized technical assistance to Applicants prior to notice of Award.

Section II: Definitions

The following terms appearing capitalized throughout this RFP and its Attachments have the following meanings, unless the context clearly indicates otherwise.

Acute Hospital: The teaching hospital of the University of Massachusetts Medical School and any hospital licensed under M.G.L. c. 111 § 51 and which contains a majority of medical-surgical, pediatric, obstetric and maternity beds, as defined by the Department of Public Health.

Alternative Payment Methodologies or APMs: Methods of payment that are not solely based on fee-for-service reimbursements; provided that “alternative payment methodologies” may include, but shall not be limited to, shared savings arrangements, bundled payments and global payments; provided further, that “alternative payment methodologies” may include fee-for-service payments, which are settled or reconciled with a bundled or global payment.

Applicant: An Acute Hospital submitting an application for funding in response to a Commission-issued RFP.

Attachment: Any document or exhibit referenced as Attached to this RFP

Award: Any Grant or Investment received pursuant to this RFP.

Awardee: Any Applicant that submits a response to this RFP, enters into a Contract with the HPC, and receives funding as a result of this RFP.

Behavioral Health: Health care services related to mental illness, emotional disorders and substance use, and the application of behavioral principles to address lifestyle and health risk issues.

Board: The governing board of the Health Policy Commission, established in M.G.L. c. 6D, §2(b).

Care Coordination and Care Transitions: A set of services focused on tracking and assisting patients as they move across care settings and coordinating services with other service providers, including Behavioral Health, specialty care, inpatient care, social services, natural community supports and long-term care providers.

Center or CHIA: The Center for Health Information and Analysis.

Chair: The Chairperson of the Health Policy Commission.

Commission or HPC: The Health Policy Commission as established in M.G.L. c. 6D, §2(a)

Commissioner: A member of the governing board of the Health Policy Commission pursuant to M.G.L. c. 6D, § 2(b).

Contract: The legally binding agreement, including any amendment(s), between HPC and an Awardee that results from this RFP that reflects the anticipated close engagement of the HPC and Awardees.

Effective Date: The first date upon which the Contract is effective.

Electronic Medical Record or EMR: A systematic collection of electronic health information about individual patients or populations that is capable of being shared across different health care settings.

Electronic Health Record, or EHR, Incentive Payment Program: The Medicare and Medicaid Electronic Health Record Incentive Programs that provide incentive payments to eligible professionals, eligible hospitals, and critical access hospitals to adopt, implement, upgrade or demonstrate meaningful use of certified EHR technology.

Emergency Department or ED: A Hospital's emergency room or satellite emergency facility.

Grant Program or Grant or Investment Program or Investment: The program authorized under M.G.L. c. 29, § 2GGGG.

Executive Director: The Executive Director of the Health Policy Commission.

Fee-for-Service: A payment mechanism in which all reimbursable health care activity is described and categorized into discrete and separate units of service and each provider is separately reimbursed for each discrete service rendered to a patient.

For-Profit Hospital or For-Profit Hospital System: A hospital or hospital system that is not exempt from Federal income tax or is not incorporated under M.G.L. c. 180, § 3.

Fund: The Distressed Hospital Trust Fund established in M.G.L. c. 29, § 2GGGG.

Legal Entity: A legal entity that is recognized and authorized under applicable state and federal law, including corporations and partnerships.

Non-Profit: An organization exempt from Federal income tax; and/or an organization incorporated under M.G.L. c. 180, §3.

Patient Registry: An electronic system for tracking information that is critical to the management of the health of a panel of patients, including dates of delivered and needed services, laboratory values needed to track a chronic condition, and other measures of health status.

Period of Performance: The period of time in which activities conducted under a Contract pursuant to this RFP are being conducted.

Planning: Activities funded pursuant to Pathway C by which Awardees engage in business or operational planning.

Phase 1: Activities funded through or described in this RFP as Phase 1 of CHART Investments focused on *Foundational Activities to Prime System Transformation*.

Relative Prices: The contractually negotiated amounts paid to providers by each private and public carrier for health care services, including non-claims related payments and expressed in the aggregate relative to the payer's network-wide average amount paid to providers, as calculated by the Center under M.G.L. c. 12C, §10 and regulations promulgated therein.

Request for Proposals or RFP: The Request for Proposals or RFP issued by the Commission pursuant to 958 CMR 5.04.

Service Line Efficiency: A series of activities related to specific clinical service lines through which the effectiveness and efficiency of these services is enhanced.

Standard Quality Measure Set: A standard set of health care quality measures as determined by the Center for Health Information and Analysis as described in 957 CMR 4.00.

Statewide Median Relative Price: The benchmark established by the Center by comparing relative price levels across payers' networks for all Acute Hospitals. The Statewide Median Relative Price is used by the Commission to determine eligibility for the Fund and its calculation for this RFP includes data from all payers for which rates are negotiated, public and commercial, but excludes non-managed Medicare and Medicaid.

Staff: The full-time or contracted staff of the Health Policy Commission.

Sub-projects: The features of a project that, in combination, achieve the project's overall goals.

Teaching Hospital: An Acute Hospital that has at least 25 full-time equivalent interns or residents per 100 inpatient beds, as determined by the Center.

Triple Aim: A framework developed by the Institute for Healthcare Improvement that includes improving the patient experience of care (including quality and satisfaction), improving the health of populations, and reducing the per capita cost of health care.³

Qualified Acute Hospital: An Acute Hospital eligible to receive a Grant or Investment from the Fund or an acute inpatient campus (satellite) of an Acute Hospital as licensed by the Department of Public Health. A Qualified Acute Hospital shall not include (1) a hospital that is a Teaching Hospital; (2) a hospital whose Relative Prices are determined by the Commission to be above the Statewide Median Relative Price; or (3) a For-Profit hospital or a hospital that is part of a For-Profit system. A list of Qualified Acute Hospitals for this RFP is provided in **Section IV.B.**

Section III: Award Information

A. Total Funding Available, Award Amount, and Total Number of Awards

The HPC may award up to \$10 million through this RFP with a maximum possible award per Applicant of \$500,000. Not more than \$100,000 of any Award may be expended on Planning activities. Awardees might not receive the award amount requested and may be asked to adjust the proposed operational model, work plan, budget, or other application elements. The HPC intends to fund the best qualified Applicants within the scope of available funds. All Qualified Acute Hospitals may receive an award; however, HPC is not obligated to fund a minimum number of Applicants, or to distribute a minimum amount of funds available for CHART Phase 1 Investments.

³ Additional detail describing the Triple Aim and approaches to its implementation may be found at: <http://www.ihl.org/offers/Initiatives/TripleAim/Pages/default.aspx>. This link was live at the time of issuance of this RFP. The HPC takes no responsibility for the maintenance of external sources of information.

B. Anticipated Award Date, Funding Disbursement, and Period of Operations

Contracts resulting from this RFP shall be for approximately four to six months (beginning at Contract execution on or about February 1, 2014, and ending on or about May 31, 2014 for planning activities and on or about July 31, 2014 for operational activities), and may be extended at the sole discretion of the HPC in any increment through January 31, 2015. Any Contract extensions are subject to HPC authorization, availability of funds, and HPC's determination of satisfactory performance and advancement of the public interest and the goals of the CHART Investment Program.

Payments pursuant to this RFP will be made in two installments: 80% of total award following Contract execution and up to 20% of total award upon successful completion of approved activities as assessed by the HPC.

Funding not specifically identified in an Applicant's response and accepted by HPC as part of a Contract will not be compensated under any Contract awarded pursuant to this RFP. The HPC will not be responsible for any costs or expenses incurred by Applicants in responding to this RFP.

C. Termination or Amendment of Awards

The HPC reserves the right to reduce, terminate or recover payments, in whole or in part, in the event the Awardee fails to perform Contract requirements and provide deliverables substantially as specified in the Contract or if during the Contract term, the Awardee is determined by the HPC to be no longer qualified.

D. Anticipated Engagement of the HPC

HPC anticipates providing guidance to Awardees throughout the CHART Phase 1 funded program activities. HPC's guidance may include webinars, in-person trainings and seminars, and dissemination of materials. HPC may engage with Awardees on such activities as skill, capability, and capacity development relative to leadership engagement and improvement methodology as described in **Section I.D.2.a-d**.

Applicants should propose operational plans and budgets without assumption of support from the HPC unless otherwise explicitly stated (**Section I.D.2.a-e and Section I.D.3**). Proposals that require additional support from the HPC will be considered non-responsive and will be eliminated from consideration. Support from the HPC should be considered adjunctive and will be tailored to each Awardee by HPC at its discretion.

Section IV: Eligibility Information

A. Eligibility Threshold Criteria

Qualified Acute Hospitals for CHART Phase 1 Investments has been determined effective the date of issuance of this RFP to be a Non-Profit, Non-Teaching, Acute Hospital with Relative Prices below the Statewide Median Relative Price. Eligibility for this RFP does not confer eligibility for future CHART Investment Program funding opportunities. A list of Qualified Acute Hospitals as of the date of issuance of this RFP is provided in **Section IV.2**.

Qualified Acute Hospitals who are also designated in the MassHealth Medicaid Section 1115 Demonstration 11-W-0030/1 as eligible to participate in the Delivery System Transformation Initiative, or who have received funding via the Executive Office of Health and Human Services Health Care Infrastructure and Capacity-Building Funding for Hospitals and Community Health Centers as well as Qualified Acute Hospitals that are recipients of other state and federal funding sources (including, e.g., the Massachusetts Department of Public Health's Prevention and Wellness Trust Fund or funding from the Center for Medicare and Medicaid Innovation) are not precluded from applying for or receiving funding pursuant to this RFP.

B. Phase 1 Qualified Acute Hospitals (Eligible Entities)⁴

QUALIFIED ACUTE HOSPITAL	
1	Anna Jaques Hospital
2	Athol Memorial Hospital
3	Baystate Franklin Medical Center
4	Baystate Mary Lane Hospital
5	Beth Israel Deaconess Hospital - Milton
6	Beth Israel Deaconess Hospital - Needham
7	Emerson Hospital
8	Harrington Memorial Hospital
9	HealthAlliance Leominster Hospital
10	Hallmark Health - Lawrence Memorial Hospital
11	Hallmark Health - Melrose-Wakefield Hospital
12	Heywood Hospital
13	Holyoke Medical Center
14	Jordan Hospital (<i>BID-Plymouth</i>)
15	Lahey Health - Addison Gilbert Hospital
16	Lahey Health - Beverly Hospital
17	Lawrence General Hospital
18	Lowell General Hospital
19	Mercy Medical Center
20	Milford Regional Medical Center

⁴ This eligibility list was calculated from calendar year 2011 and 2012 data provided by the Center for Health Information and Analysis on October 21, 2013) and applicable only to funding opportunity HPC-CHART-001.

21	New England Baptist Hospital
22	Noble Hospital
23	North Adams Regional Hospital
24	Shriners Hospital - Boston
25	Signature Healthcare Brockton Hospital
26	Southcoast Hospitals Group - Charlton Memorial Hospital
27	Southcoast Hospitals Group - St. Luke's Hospital
28	Southcoast Hospitals Group - Tobey Hospital
29	UMass Memorial – Marlborough Hospital
30	UMass Memorial - Wing Memorial Hospital and Medical Centers
31	Winchester Hospital

Section V: Response Requirements

All materials necessary to complete a response to this RFP will be made available via <http://www.mass.gov/hpc/chart>.

A. General Submission Instructions

Applicants must follow all submission instructions. Information placed incorrectly, or out of sequence, may be ignored or treated as missing. Omission of key information may lead to rejection of the Application as incomplete (**Section VI.D**).

Applicants must submit **five (5)** original paper copies of their proposal, including an Authorizing Cover Letter, Operational Response (including Driver Diagram(s) as described in **Attachment A, Exhibit 1⁵**), Financial Response, and all signed Mandatory Forms and Certifications documents.

The Applicant must also supply **one (1)** electronic copy of all materials (CD or USB drive are both acceptable). Microsoft Office must be used for all files – PDFs will not be accepted except for signed Mandatory Forms and Certifications documents. All paper copies and the electronic form must be clearly labeled with the title of this RFP and the Applicant's legal name. All responses, hard copy and electronic, should be to the address below.

Each Applicant must submit one and only one proposal for each Qualified Acute Hospital. Health systems with more than one Qualified Acute Hospital (e.g., Southcoast Hospitals Group) must submit a separate application for each hospital.

In an effort to promote greater use of recycled and environmentally preferable products and minimize waste, all responses submitted should comply with the following guidelines:

⁵ Driver diagram is optional for Pathway C proposals.

- a) All copies should be printed double-sided and single spaced in Times New Roman, with a minimum margin size of ¾ inch and a minimum font size of 11.
- b) All submittals and copies should be printed on recycled paper with a minimum post-consumer content of 30% or on tree-free paper (i.e., paper made from raw materials other than trees, such as kenaf).
- c) Unless absolutely necessary, all responses and copies should minimize or eliminate use of non-recyclable or non-reusable materials such as plastic report covers, plastic dividers, vinyl sleeves and GBC binding. Three-ringed binders, glued materials, paper clips and staples are acceptable.
- d) Applicants should submit materials in a format that allows for easy removal and recycling of paper materials.
- e) Applicants are encouraged to use other products that contain recycled content in their response documents. Such products may include, but are not limited to, folders, binders, paper clips, diskettes, envelopes, boxes, etc. Where appropriate, Applicants should note which products in their responses are made with recycled materials.
- f) Unnecessary samples, attachments or documents not specifically requested should not be submitted.

The proposal must include the following:

- 1) A Cover Letter signed by the President or Chief Executive Officer or Board Chair of the Applicant that includes **all** of the following information (failure to submit a cover letter including all components may result in disqualification from consideration for funding):
 - a) A statement that the proposal is an application for HPC-CHART-001, the Phase 1 opportunity of the Community Hospital Acceleration, Revitalization, and Transformation Investment Program.
 - b) The name and principal address of the Applicant organization;
 - c) A description of the Applicant's type of legal entity (e.g., not-for-profit corporation, limited partnership, general partnership, trust).
 - d) The name, address, e-mail, fax and telephone number of the Applicant's primary point of contact for this opportunity (see additional details required in **Attachment A, Exhibit 1**).
 - e) A statement that the Applicant's response is effective through the date that the Applicant executes a Contract with HPC pursuant to this RFP.
 - f) The specific amount of funding requested in each Pathway, and the total funding request.
 - g) Affirmation that if awarded funding, the Applicant will complete all requisite activities described in **Section I.D.2**.
 - h) Affirmation that if awarded funding, the Applicant will submit a final work plan, including a schedule of key activities and milestones, to be approved by the HPC and incorporated into the Contract.
 - i) Affirmation that if awarded funding, the Applicant will begin programmatic activities on February 1, 2014 or on the date the Contract is executed, whichever is later.
 - j) A statement that all documents submitted by the Applicant are truthful and accurate.
 - k) A statement that the Applicant has read the RFP and all attachments and understands the terms and conditions pursuant to which CHART grants may be awarded.
 - l) A statement that the letter is signed by an authorized or otherwise legally empowered representative of the Applicant.

- 2) A **complete** Operational Response (including all Attachments) as described in **Section V.B and in Attachment A, Exhibit 1**.
- 3) A Driver Diagram as described in the Operational Response (**Attachment A, Exhibit 1**) and **Attachment A, Exhibit 2**. The Driver Diagram is optional for Pathway C proposals.
- 4) A **complete** Financial Response (including all Attachments) as described in **Section V.C and Attachment A, Exhibit 3**.
- 5) One complete set of the Mandatory Forms and Certifications, as described in **Section V.E and Attachment B, Exhibits 1-6**.

Responses must be received by HPC in full at the following address **no later than 3:00 PM** on December 11, 2013, (**Section VII**). Responses must be addressed to:

Margaret D. Senese
Program Manager for Strategic Investment
Health Policy Commission
2 Boylston Street, 6th floor
Boston, MA 02116

Any response received after the deadline will not be considered for this opportunity unless previously approved in writing by the HPC.

B. Operational Response Instructions

The Operational Response should clearly describe the Applicant's alignment with the goals of the CHART Investment Program as specified in 958 CMR 5.03 (and **Section I.A** of this RFP). The response should clearly reflect the vision for transformation of the Applicant institution within the framework of the Triple Aim, and the extent to which each proposed project within the allowable Pathways aligns with that vision and the central goal of the proposal. Applicants may apply for a total award of up to \$500,000 to fund projects within multiple Pathways, provided however that each application may include only one Pathway A project proposal. Proposals should be innovative and precise, providing detail in how the proposed project(s) will support the improvement of the Qualified Acute Hospital, and subsequently its ability to serve its community. The Operational Response should acknowledge challenges faced by the Qualified Acute Hospital, but should emphasize improvement opportunities that may be achieved through CHART Investments, focused on *Foundational Investments to Prime System Transformation*.

All Applicants are required to complete all elements of the Operational Response Template as provided in **Attachment A, Exhibit 1**, including all forms and attachments therein. The Operational Response must also include responses specified in Metric Selection and Reporting Requirements (**Section V.D** below)

For completion of the Driver Diagram required in the Operational Response Template (**Attachment A, Exhibit 1**), please see informational guidance provided in **Attachment A, Exhibit 2**. This Driver Diagram should be attached to your submission in native file format with the file titled **[Applicant Name]-Driver Diagram**. The Driver Diagram is optional for Pathway C proposals.

C. Financial Response Instructions

Applicants must indicate the funding requirements associated with their application using February 1, 2014 as a start date and July 31, 2014 as an end date. Applicants must complete the Budget Template provided in **Attachment A, Exhibit 3**.

Additionally, Applicants must provide a budget narrative including a detailed cost breakdown for each line item outlined in **Attachment A, Exhibit 3**. At a minimum the budget narrative must include complete descriptions, explanations, and justifications for the proposed funding allocation.

The budget narrative should be submitted in Microsoft Word format, with the file titled [Applicant Name]-Budget Narrative Response.

Although CHART Investments should be focused on building sustainable internal capacity in Qualified Acute Hospitals, Applicants may propose the use of consultant services if the Applicant documents that it lacks internal organizational capacity and/or expertise required to achieve project goals. For each factor for which in-kind or cash contribution are provided, include detailed salary, percent commitment, and fringe benefit costs, including specific justification as to why additional contributions cannot be made.

The Budget Template and Budget Narrative **must** include a request for funds for completion of a staff culture survey as required in **Section I.D.2.b**. Projected funds should include the operational cost of conducting such a survey of staff in the Applicant organization but should presume no cost to the Applicant for purchasing a survey tool.

Expenses should be described in the following categories:

- 1) Personnel salary: list each employee working on the project by name with their role in the project and the salary cost for each employee during the length of the project.
- 2) Fringe benefits, limited to the following list of HPC allowable fringe benefit costs for this Investment, of which there are six (6) as follows:
 - a. Employer share of life insurance cost.
 - b. Employer share of health insurance cost.
 - c. Employer share of Social Security costs.
 - d. Employer share of pension costs.
 - e. Employer paid unemployment insurance cost.
 - f. Employer paid cost of providing workers compensation insurance.

The budget may include these costs for each employee for the period of the project. Costs must be identified for each employee assigned to your proposal.

- 3) Consultant or other contracted services costs: list each contract and the cost of that contract for the period of the project.
- 4) Equipment cost: equipment is defined as a single item costing more than \$1000 and having a useful life of more than one year.
- 5) Project support costs: Itemize any other project related costs needed to support this project.

The budget narrative must include a description of any internal cash contributions from affiliated

institutions/systems, including specific justification as to why additional contributions cannot be made where applicable. The budget narrative should finally describe any cross-subsidization with similar or related public or private sector funding the Applicant currently receives or anticipates receiving during the Period of Performance.

D. Metric Selection and Reporting Requirements

Each Applicant must propose performance indicators with a continuous improvement method of measurement to be used to evaluate the impact of the proposed project on the Triple Aim (better care, better health, and reduced cost), as well as operational metrics that describe efficient, effective implementation. Metrics must address each of the following domains as relevant to specific Pathways proposed (e.g., a Pathway A proposal likely will include metrics in many if not all of the following domains; a Pathway C proposal likely will not include specific measures of clinical quality):

- 1) Meeting milestones and deliverables as specified in the Applicant's proposal.
- 2) Building and/or enhancing required capability/capacity/infrastructure as specified in the Applicant's proposal.
- 3) Cost growth (metrics that track progress of health care cost growth reduction).
- 4) Affordability/cost of care (financial access for consumers).
- 5) Operational governance or structure.
- 6) Process measures of clinical quality.
- 7) Outcome measures of clinical quality.
- 8) Patient access to care.
- 9) Patient satisfaction and/or patient experience.
- 10) Staff satisfaction and/or staff experience.

Metrics for Phase 1 will be proposed by Applicants and approved by the HPC. Metric proposals should include, where applicable, the following: 1) the objective measured by a given metric, 2) the specific metric (including a description of the population measured), 3) data collection processes/data sources, and 4) baseline data.

Applicants are strongly encouraged to draw upon the Massachusetts Standard Quality Measure Set or other accepted measures.⁶ Proposals must include a description of plans to collect and analyze data on an on-going basis.

HPC may also collect from Awardees a standard set of performance indicators for HPC evaluation activities. Metrics tracking completion of requisite activities will be developed and monitored by the HPC, including measures for all activities described in **Section I.D.2.a-d**.

E. Mandatory Forms and Certifications

All Applicants must complete and submit the Commonwealth-required forms 1-6 identified below and in **Attachment B**; all these forms will be incorporated by reference into the RFP. **Exhibits 1-6** are available at <http://www.mass.gov/hpc/chart>.

⁶ The Standard Quality Measure Set is posted on the CHART program website (<http://www.mass.gov/chart>) or may be found at: <http://www.mass.gov/chia/gov/commissions-and-initiatives/statewide-quality-advisory-committee/>

- 1) Commonwealth Terms and Conditions. If the Applicant has not previously filed this form with the Office of the Comptroller, or if the information on a previously filed form has changed, the Applicant must complete and sign the Terms and Conditions, and attach a completed W-9 form.
- 2) Commonwealth of Massachusetts Standard Contract Form and Instructions. Applicants are responsible for reviewing and signing the Standard Contract Form, including the Instructions and hyperlinks, which identify certifications and Attachments that are incorporated into the Contract.
- 3) Request for Taxpayer Identification Number and Certification (W-9). If the Applicant has not previously filed this form with the Office of the Comptroller, or if the information on a previously filed form has changed, the Applicant must complete and sign the W-9 form and return it attached to the executed Commonwealth Terms and Conditions, with the completed RFP Application.
- 4) Contractor Authorized Signatory Listing.
- 5) Authorization for Electronic Funds Transfer Form (see **Section VIII.B.1** for more information).
- 6) Certification Regarding Debarment and Suspension.

Section VI: Application Review, Selection, and Award Process

A. General Provisions

This request for proposals for CHART Phase 1 funding (HPC-CHART-001) is issued pursuant to the provisions of 958 CMR 5.00, 815 CMR 2.00 and the Massachusetts Management Accounting and Reporting System (MMARS) Policy on State Grants and Federal Sub-Grants (Issued 7-1-2004, revised 11-1-2006) (Grants Policy). Many terms included in 958 CMR 5.00, 815 CMR 2.00 and the Grants Policy, as well as the definitions section of the Operational Services Department (OSD) state procurement regulations (815 CMR 21.02), are incorporated by reference into this RFP. Words used but not specifically defined in this RFP shall have the meanings included in 958 CMR 5.00, 815 CMR 2.00, 801 CMR 21.02, or the Grants Policy. Unless otherwise specified, all communications, responses, and documentation must be in English, using English customary weights and measures (feet, pounds, quarts, etc.) and U.S. dollars. All responses must be submitted in accordance with the terms specified in **Section VIII.B.3**.

Notice of eligibility will be provided via electronic mail from the HPC to Chief Executive Officers of Qualified Acute Hospitals. This RFP and updates will be posted on the HPC's CHART Investment Program website, <http://www.mass.gov/hpc/CHART>.

The HPC reserves the right to amend this RFP at any time prior to the date responses are due, or to terminate an Award in whole or in part at any time. Any such amendment will be posted on the CHART website and will be sent to Chief Executive Officers of all Qualified Acute Hospitals by electronic mail. Qualified Acute Hospitals and Applicants are advised to check this site regularly, as this will be the primary method used for notification of changes as well as posting of key information.

Awards issued pursuant to this RFP shall be for a fixed amount, which amount shall be preliminarily determined and announced to the Awardee at the time of selection, and finalized upon Contract execution. HPC makes no guarantee that a Contract, or any obligation to provide funding to any given Qualified

Acute Hospital, will result from this RFP. HPC also makes no guarantee that funds will be available to successful Applicants on this RFP.

B. Contact of Eligible Entities with Health Policy Commission

Selection of Awardees pursuant to this RFP is being conducted consistent with state bidding practices. Qualified Acute Hospitals, or any agent(s) working on their behalf, are prohibited from communicating directly with any HPC Commissioners or staff regarding this RFP except as specified in **Section VI.C** below. No other individual Commonwealth employee or representative is authorized to provide any information or respond to any question or inquiry concerning this RFP. Any unauthorized communication or contact may result in immediate ineligibility of a Qualified Acute Hospital at the sole discretion of the HPC.

Applicants must disclose any interest that will conflict with the performance of services required under any Contract resulting from this RFP.

Applicants with disabilities or hardships that seek reasonable accommodation, which may include the receipt of RFP information in an alternative format, must submit a written statement to the RFP contact persons describing the Applicant's disability and the requested accommodation to the contact person for the RFP. HPC reserves the right to reject unreasonable requests. Applicants may also request a hardcopy of the RFP, pertinent Attachments, or any of its components, by contacting the permissible RFP staff.

C. Information Sessions and Questions

The HPC anticipates hosting one or more Information Sessions in various geographic areas of the state, as well as at least one Session by webinar, to provide details about this funding opportunity and to answer questions from Qualified Acute Hospitals.

Information about Information Sessions and webinar(s), including summary materials and records of those Sessions and webinar(s), will be posted on the CHART resource page at <http://www.mass.gov/hpc/CHART>.

Applicants may make written inquiries concerning this RFP until no later than **November 13 at 3 p.m.**, as specified in the Timetable in **Section VII** of this RFP. Written inquiries must be sent to the RFP contact at the email address listed below. Acknowledgment of receipt may not be provided. HPC will review all questions and, at its discretion, prepare written responses to those it determines to be of general interest and relevant to the preparation of a response to the RFP. These responses will be posted on the HPC's program website (above). Hard-copy responses will be made available only upon request. HPC may respond individually to Applicants regarding *de minimis* questions on process without posting responses on the CHART website. A full record of such responses will be made available upon specific request.

Permissible RFP Contact

Margaret D. Senese
Program Manager for Strategic Investment

or

Iyah K. Romm
Director for System Performance and Strategic Investment

Health Policy Commission
2 Boylston Street, 6th floor
Boston, MA 02116
E-mail: hpc-chart@state.ma.us

D. Review and Selection Process

Responses to this RFP will be evaluated by a CHART Investment Review Committee (Review Committee) composed of individuals designated by the Executive Director and the Chair, pursuant to 958 CMR 5.07.

1) Preliminary Review

All responses will be initially evaluated by the Review Committee to determine compliance with the submission requirements in **Section V**. Responses that meet those requirements shall have their Operational (**Section V.B**) and Financial (**Section V.C**) responses reviewed and evaluated by the Review Committee against the criteria below.

The HPC reserves the right to reject an Applicant's response at any time during the evaluation process if the Applicant:

- a) Fails to demonstrate to HPC's satisfaction that it meets all RFP requirements.
- b) Fails to submit all required information or otherwise satisfy all response requirements in **Section V**.
- c) Rejects or qualifies its agreement to any of the mandatory provisions of the RFP or the Commonwealth's Standard Contract or Terms and Conditions.

The Review Committee may determine that non-compliance with an RFP requirement is insubstantial. The Review Committee may seek clarification, allow the Applicant to make minor corrections, take the non-compliance into account in evaluating the response, or apply a combination of all three remedies.

2) Programmatic Review

The Review Committee will review and rate each application consistent with criteria identified in **Section VI.E** below.

3) Clarifications

The Review Committee may seek additional information from Applicants as necessary to complete review of the Application, including in the Review Committee's sole discretion, an oral presentation or interview. The Commission must receive all requested additional materials within five (5) business days of a request or the Executive Director may determine the Application to be incomplete.

4) Selection and Notification of Awardees

Through the Executive Director, the Review Committee will recommend Applicants to the Board to receive Investments and the amounts to be awarded, which may be an amount higher or lower than that requested by the Applicant, or may recommend planning activities funding through Pathway C in lieu of operational activities proposed through a Pathway A or Pathway B submission (e.g., if the HPC supports the concept outlined in a proposal but believes additional planning activity is necessary prior to implementation). Recommendations for awards shall be made based on the availability of funds, the degree to which an Applicant meets criteria described in this RFP, and the degree to which the Investment meets the Applicant's need for such funding.

The Executive Director may recommend the responses that demonstrate the best value overall, including proposed alternatives to Applications as submitted, which will achieve the Commonwealth's and HPC's goals for the CHART Program Investments. During subsequent negotiation, the HPC and a selected Applicant may negotiate a change in any element of Contract performance or cost identified in the original RFP or the selected Applicant's response that results in lower costs or a more cost-effective or better value than was presented in a selected Applicant's original response.

The Board shall make the final award decisions based on the recommendations of the Executive Director and criteria in HPC-CHART-001. The Board's decisions are final and not subject to appeal. The HPC shall notify all Applicants of their selection or non-selection for an Award. All Awards are contingent upon finalization of Contract terms by the Applicant and the HPC.

E. Criteria for Selection

This section describes the evaluation criteria for review and selection of Awards for this RFP. The application must be organized as detailed in **Section VI**. The Review Committee shall evaluate all applications that meet the minimum requirements listed in **Section V**. In addition to the proposal as submitted, the Review Committee may consider any relevant information about the Applicant known to HPC. Applications will be scored against a rubric with a total of 100 points available for each proposal for selection of Awardees and determination of relative Award. The following criteria will be used to evaluate each application as applicable:

- 1) *Design of Proposed Project and Alignment of Applicant Vision and Needs with HPC Goals (30 points)*
 - a. The proposal is well designed, clear, appropriate, comprehensive, feasible and effective to meet the goals of the RFP (**Section I.A**).
 - b. The proposal meets an identified institutional need in the Qualified Acute Hospital and that identified institutional need aligns with the vision of the institution.
 - c. The proposal meets the needs of the community served by the Applicant.

- d. The extent to which the proposal furthers the health care cost growth benchmark or one or more of the goals specified in 958 CMR 5.03(2) (**Section I.A** above).
- e. If applicable, the extent to which the proposal can be replicated or scaled in similar organizations.

2) *Operational Approach (20 points)*

- a. The extent to which the Applicant has relevant experience in successfully operating previous similar models.
- b. Demonstrated ability of the Applicant to implement the operational changes described in the Application in response to requirements set forth in this RFP.
- c. The proposal is operationally feasible within the Period of Performance.
- d. The proposal demonstrates plans for operational accountability, including internal monitoring of Award implementation and appropriate governance/oversight.
- e. The proposal to partner with health care providers and other implementing organizations demonstrates capacity to be successful.

3) *Priming Future Transformation Activities (20 points)*

- a. The extent to which the Investment will foster future transformation activities, including innovative health care delivery and payment models as identified by the HPC.
- b. The extent to which the Application demonstrates alignment with ongoing health system investments in the Commonwealth.
- c. As applicable, the goals set for improvement are aggressive but credible, and are focused on optimizing a model of community-focused care.
- d. The extent to which the Application demonstrates how the proposal will enable more effective and efficient system-wide functioning to deliver better outcomes and reduced costs.

4) *Financial Factors (20 points)*

- a. The overall funding available, identified internal contributions by the Applicant, in-kind contributions of the Applicant, aligned alternate funding streams (including, e.g., alignment of other Chapter 224 investments), and the comprehensiveness, appropriateness, feasibility, clarity, effectiveness, innovation, and responsiveness of the Applicant's proposal.
- b. The financial health of the Qualified Acute Hospital and the demonstrated need for Investment, taking into account all resources available to the Applicant including the relationship or affiliation of the Applicant to a health care delivery system and the capacity of the system to provide in-kind and financial support to the Qualified Acute Hospital. In assessing the Applicant's financial health, the HPC shall take into account financial indicators such as days cash on hand, average age of plant, payer mix, uncompensated care, and other financial indicators deemed relevant by the Review Committee.
- c. The efficiency of the application and the extent to which the Applicant minimizes the cost of implementation.
- d. Where applicable, the majority of funding is expected to be used for supporting service delivery models and ongoing implementation of models; funds should be focused on operations, not administration.

5) *Monitoring and Reporting (10 points)*

- a. The proposal includes a well-designed and feasible plan for monitoring and reporting, including regular updates of performance data.
- b. The proposal includes, as applicable, measures for monitoring all domains of implementation, including clinical services and operations.

- c. The proposal includes a plan for obtaining (and using in implementation) all necessary data.

Section VII: Timeline

All dates are estimated except due dates (in bold) for written inquiries and for receipt of Applicant responses.

	DESCRIPTION	DATE
1	RFP released	October 23, 2013
2	Deadline for receipt of written questions on the RFP (Section VI.C)	November 13, 2013 by 3pm
3	Date for written answers from HPC (anticipated)	November 20, 2013
4	Information Session(s) (anticipated)	November 8-22, 2013
5	Deadline for receipt of Applicant Responses	December 11, 2013 by 3pm
6	Awardees selected (anticipated)	January 8, 2013
7	Projected contract execution (anticipated)	February 1, 2013

Section VIII: Additional Terms and Details

A. Responsibilities of Qualified Acute Hospitals

Applicants are solely responsible for obtaining all information distributed for this solicitation via <http://www.mass.gov/hpc/chart>. Any documents amended throughout the course of this solicitation will be retained on this website in original form in addition to updates, which shall be noted accordingly.

It is each Applicant's responsibility to regularly check the HPC's website for:

- 1) Any addenda or modifications to this RFP, by monitoring the Notifications field.
- 2) Any records or documents related to Information Sessions or Webinars hosted relative to this funding opportunity.
- 3) The Commonwealth accepts no responsibility and will provide no accommodation to Applicants who submit a response based on an out-of-date document or on information received from a source other than <http://www.mass.gov/hpc/chart> or a written communication from a permissible contact as specified in **Section VI.C**.

B. General Requirements

1) Electronic Communication/Update of Applicant's/Awardee's Contact Information

It is the responsibility of the Qualified Acute Hospital/Awardee to keep current the electronic mail address of the contact person and prospective Contract manager, if awarded a Contract, and to monitor that electronic mail inbox for communications from the HPC, including requests for

clarification. The HPC and the Commonwealth assume no responsibility if a Qualified Acute Hospital's/Awardee's designated electronic mail address is not current, or if technical problems, including those with the Qualified Acute Hospital/Awardee's computer, network or internet service provider (ISP) cause electronic mail communications sent to/from the Qualified Acute Hospital/Awardee and the HPC to be lost or rejected by any means, including electronic mail or spam filtering. Where no other electronic mail address is provided to the HPC, communications will be sent by default to the Chief Executive Officer of a Qualified Acute Hospital/Awardee.

2) Electronic Funds Transfer (EFT)

All Applicants responding to this RFP must agree to participate in the Commonwealth Electronic Funds Transfer (EFT) program for receiving payments. EFT is a benefit to both Awardees and the Commonwealth because it ensures fast, safe and reliable payment directly to contractors and saves both parties the cost of processing checks. Awardees are able to track and verify payments made electronically through the Comptroller's Vendor Web system. A link to the EFT application can be found on the [OSD Forms](http://www.mass.gov/osd) page (www.mass.gov/osd). Additional information about EFT is available on the [VendorWeb](http://www.mass.gov/osc) site (www.mass.gov/osc), and required forms are included as **Attachment B, Exhibit 5**.

Successful Applicants, upon notification of Contract award, will be required to enroll in EFT as a Contract requirement by completing and submitting the *Authorization for Electronic Funds Payment Form* to the HPC for review, approval and forwarding to the Office of the Comptroller. If the Applicant is already enrolled in the program, it may so indicate in its response. Because the *Authorization for Electronic Funds Payment Form* contains banking information, this form, and all information contained on this form, shall not be considered a public record and shall not be subject to public disclosure through a public records request. An Applicant who is currently registered with the Commonwealth to receive payment by EFT is not required to submit forms described herein.

3) Identifiable Health Information

Any activities conducted pursuant to this RFP that generate or use information or data involving the use or disclosure of protected health information are subject to the requirements of 45 CFR 160, 162, and 164 (the privacy provisions of the Health Insurance Portability and Accountability Act of 1996 (HIPAA)).

4) Incorporation of RFP

This RFP and any documents an Applicant submits in response to it are incorporated by reference into any Contract awarded to that Applicant.

5) Public Records

All responses and related documents submitted in response to this RFP become public records and are subject to the Massachusetts Public Records Law, M.G.L. c. 66, § 10 and M.G.L. c. 4, § 7(26). Any statements in submitted responses that are inconsistent with these statutes will be disregarded. HPC will not return to Applicants any proposals or materials they submit in response to this RFP.

6) Restriction on the Use of the Commonwealth Seal

Applicants and Awardees are not allowed to display the Commonwealth of Massachusetts Seal in their bid package or subsequent marketing materials if they are awarded a Contract because use of the

coat of arms and the Great Seal of the Commonwealth for advertising or commercial purposes is prohibited by law.

7) Restriction on the Use of the Health Policy Commission branding or CHART Logo

Applicants are not allowed to display the Health Policy Commission branding or CHART logo in their bid package. Awardees are allowed to display the Health Policy Commission branding or CHART logo only as specified in any Contract with the HPC.

8) Response Duration

The Applicant's response shall remain in effect until a Contract with the Applicant is executed.

9) HPC Authority to Conduct Audits

The HPC reserves the right to require a Qualified Acute Hospital to undergo an independent financial and operational audit to recommend steps to increase sustainability and efficiency of the Awardee's institution.

10) Participation in MassHealth

To be considered for funding pursuant to this RFP, Qualified Acute Hospitals must, during the term of the Contract i, participate in MassHealth under the applicable Request for Applications and Contract and accept as payment in full for hospital services to MassHealth members, all rates of payment set forth therein. Cessation of participation in MassHealth may constitute grounds for termination of an Award.

C. Key Contract Provisions

All Applicants selected to receive an Award must execute a Contract with the HPC, as required by 815 CMR 2.05, to implement the terms of the Award and in order to receive payment.

The Executive Director shall develop and execute Contracts consistent with 958 CMR 5.08.

- 1) The Contract shall specify at a minimum the following, as well as all provisions specified in **Attachments B and C**:
 - a) Any financial, programmatic, technical or other reporting appropriate to monitor and evaluate the funded activities, including ongoing milestones and an evaluation process.
 - b) Any conditions or restrictions on the funding, including any monitoring of the Awardee's operations, including where appropriate, an independent financial and operational audit to recommend steps to increase sustainability and efficiency of the Awardee.
 - c) Any additional means the HPC will use to hold the Awardee accountable for proper performance under the Contract.
 - d) Any deadlines for completing components of the project.
 - e) Provisions for repayment of all or a portion of funds to the HPC if the HPC determines that the funds were not used consistent with the approved application and Contract.
- 2) HPC shall have the option at its sole discretion to modify or terminate a Contract whenever, in the judgment of HPC, pursuant to a recommendation by the Executive Director, the goals of the project have been modified or altered in a way that necessitates such changes or the Awardee is

determined by the HPC to be no longer qualified, the Awardee does not expend funds within a reasonable period of time, or the Awardee fails to meet reporting requirements or milestones established pursuant to the enclosed RFP. HPC will provide written notice of such action to the Contractor, and the parties will negotiate the effect of such changes in scope on the schedule and payment terms.

- 3) Awardees may be required to complete and submit a final report that summarizes how funding supplemented efforts toward meeting the objectives of the project. Awardees may be required to respond to comments from HPC on the report, and submit a final version to HPC.

Attachment A: Mandatory Submission Templates

- Exhibit 1: Operational Response
- Exhibit 2: Driver Diagram Guide
- Exhibit 3: Budget Proposal Template

Attachment B: Mandatory Contracting Forms and Certifications

- Exhibit 1: Commonwealth Terms and Conditions
- Exhibit 2: Commonwealth of Massachusetts Standard Contract Form and Instructions
- Exhibit 3: Request for Taxation Identification Number and Certification (W-9)
- Exhibit 4: Contractor Authorized Signatory Listing
- Exhibit 5: Authorization for Electronic Funds Transfer
- Exhibit 6: Certification Regarding Debarment and Suspension

Attachment C: Additional Contract Terms

This Attachment includes additional Contract terms that HPC intends to include in any Contract resulting from the RFP.

Elements of Contract; Integration

The Contract between HPC and the Awardee consists of the following documents, listed in order of precedence:

- 1) The Commonwealth Terms and Conditions.
- 2) The Massachusetts Standard Contract Form.
- 3) Additional contract terms negotiated between HPC and the Awardee, if any.
- 4) HPC's Request for Proposals for HPC Community Hospital Acceleration, Revitalization, and Transformation (CHART) Investment Program – Phase 1 (HPC-CHART-001) as most recently amended.

- 5) The Awardee's response to the RFP, exclusive of any terms that are inconsistent with, or purport to modify or supersede the Commonwealth Terms and Conditions, the Massachusetts Standard Contract Form or the terms of the RFP.

The documents listed above, including attachments and exhibits, constitute the entire agreement of the parties with respect to the subject matter of the RFP, and supersede all prior written or verbal negotiations and statements. This document shall not be modified by any subsequent written or verbal communications other than in accordance with **Amendments**, below.

Contract Term

Contracts resulting from this RFP shall be for approximately four to six months (ending on or around May 31, 2014 for Pathway C projects and on or around July 31, 2014 for Pathway A and Pathway B projects), and may be extended at the discretion of HPC for any period of time through January 31, 2015. Any Contract extensions are subject to HPC approval, availability of funds, and HPC's determination of satisfactory performance and advancement of the public interest and the goals of Chapter 224.

Use and Disclosure of Data

The Awardee and its employees and subcontractors shall comply with all state and federal laws, rules, regulations, and other requirements relating to confidentiality, privacy, and security.

Publications Regarding or Derived From This Contract

In the performance of this Contract, the Awardee may develop material suitable for publication under copyright as reports, manuals, pamphlets or other forms. To the extent such material is deliverable to HPC in the performance of this Contract, such material shall be deemed Work Product made for hire, and the Commonwealth shall exclusively own, worldwide and royalty-free, the copyright and any other intellectual property rights in such material, and the HPC will have the exclusive, unlimited and unrestricted right, worldwide and royalty-free, to publish, reproduce, distribute, transmit and publicly display any such material. Other material derived from the Awardee's performance of this Contract shall not be published or offered for publication through any medium of communication, including press release, without the prior approval of HPC.

HPC's Option to Terminate or Amend Contract

HPC shall have the option at its sole discretion to modify or terminate a Contract whenever, in the judgment of HPC, pursuant to a recommendation by the Executive Director, the goals of the project have been modified or altered in a way that necessitates such changes or the Awardee is determined by the HPC to be no longer qualified, the Awardee does not expend funds within a reasonable period of time, or the Awardee fails to meet reporting requirements or milestones established pursuant to the enclosed RFP. HPC will provide written notice of such action to the Contractor, and the parties will negotiate the effect of such changes in scope on the schedule and payment terms.

Additional Payment Provisions

Awards shall be for a fixed amount for each Contract period.

Payments for the Contract period will be made as two lump sum payments, 80% of total award following Contract execution, and up to 20% of total award upon satisfactory project completion as determined by the HPC.

HPC reserves the right to reduce, terminate or recover payments, in whole or in part, in the event the Awardee fails to perform Contract requirements and provide deliverables substantially as specified in the Contract.

Notification of Administrative Change

The Contractor shall notify HPC in writing no later than 30 days prior to any change affecting its organization, or its performance of its responsibilities under this Contract, but if a change in business structure is voluntary, the Awardee shall provide a minimum of three months' notice to HPC. (See also **Assignment**, below.)

No Third-Party Enforcement

This Contract shall be enforceable only by the parties, or officers or agencies of the Commonwealth authorized to act on behalf of HPC or its successors. Nothing in this Contract shall be deemed to confer benefits or rights to any other parties.

Effect of Invalidity of Clauses

If any clause or provision of this Contract is in conflict with any state or federal law or regulation, that clause or provision shall be null and void and any such invalidity shall not affect the validity of the remainder of this Contract.

Notices

Notices to the parties as to any matter hereunder will be sufficient if given in writing and sent by certified mail (return receipt requested), postage prepaid, or delivered in hand or by an overnight delivery service with acknowledgment of receipt:

To the HPC:

Margaret D. Senese
Program Manager for Strategic Investment
Health Policy Commission
2 Boylston Street, 6th floor
Boston, MA 02116
Phone: (617) 979-1400
E-mail: hpc-chart@state.ma.us

To the Awardee:

[Title]
[Address]

Equal Employment Opportunity

All contracts entered into by the Awardee shall contain a provision requiring compliance with federal Executive Order 11246, as amended by Executive Order 11375, and as supplemented by regulations at 41 CFR part 60.

Prohibited Activities and Conflict of Interest

The Awardee represents that no person who is an owner, employee, consultant, or subcontractor of the Awardee, has been debarred by any state or federal agency, excluded from participation in a program under Titles XVIII, XIX, or XXI of the Social Security Act, or subjected to a civil money penalty under the Social Security Act.

During the term of this Contract, the Awardee shall not have any interest that conflicts with the performance of services under the Contract for the duration of the Contract, as determined by HPC.

Compliance with Laws

The Awardee shall comply with all applicable statutes, orders, and regulations promulgated by any federal, state, municipal, or other governmental authority relating to its property or its operations under the terms of this Contract.

Amendments

No amendment to this Contract shall be effective unless it is signed by authorized representatives of the Awardee and HPC. All amendments are subject to availability of funding, applicable law and regulations, and mutual agreement. The parties agree to negotiate in good faith to cure any omissions, ambiguities, or manifest errors herein.

Assignment

The Awardee shall not assign or transfer any right, interest, or obligation under this Contract to any successor entity or other entity without the prior written consent of HPC.

Independent Contractor

The Awardee, its employees, and any other of its agents in the performance of this Contract, shall act in an independent capacity and not as officers or employees of HPC or the Commonwealth of Massachusetts.

Subcontracts

Prior approval of the HPC is required for any subcontracted service of the Contract. Awardees are responsible for the satisfactory performance and adequate oversight of its subcontractors.

Counterparts

This Contract may be executed simultaneously in two or more counterparts, each of which will be deemed an original, and all of which together will constitute one and the same instrument.

Section Headings

The headings of the sections of this Contract are for convenience only and will not affect the construction hereof.

Waiver

The acceptance of, or payment for, services rendered by the Awardee shall not be construed to waive any requirements of this Contract, or any of HPC's remedies for failure to fulfill such requirements.